



To the Mayor and Members of the City Council

January 29, 2013

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SUBJECT: SOLID WASTE RATES AND SOLID WASTE ENTERPRISE FUND BALANCE

At the January 8, 2013 Pre-Council presentation on the Comprehensive Solid Waste Plan and Contract Recommendations, City Council requested information on the rates charged to residents for sanitation services, the current Solid Waste Enterprise Fund balance and the value of the solid waste contracts.

Solid waste rates charged to residents are based on the size of garbage cart/volume that can be set out. It is important to note that these rates cover all solid waste services provided by the City, not just curbside collections. Rates charged to residents have not changed since 2006.

Residential Rates				
2002	\$13.75			<Rate prior to current program (bags/no carts)
	32 Gallon	64 Gallon	96 Gallon	
2003	\$8.00	\$13.00	\$18.00	< Rate increase due to changes in the bulk & yard waste collections program
2004	\$11.45	\$16.45	\$21.45	
2005	\$11.45	\$16.45	\$21.45	
2006	\$12.75	\$17.75	\$22.75	< Rate increase to ensure SW budget balanced
2007	\$12.75	\$17.75	\$22.75	
2008	\$12.75	\$17.75	\$22.75	
2009	\$12.75	\$17.75	\$22.75	
2010	\$12.75	\$17.75	\$22.75	
2011	\$12.75	\$17.75	\$22.75	
2012	\$12.75	\$17.75	\$22.75	
2013	\$12.75	\$17.75	\$22.75	

The current Solid Waste Enterprise Fund Cash Balance as of 9/30/12 is \$31,603,502. After withholding the reserve requirement, there is approximately \$20,296,000 available. Over the next five fiscal years, capital costs and other expenses (i.e., the construction of two new drop-off stations and improvements to the city call center), will draw down the fund balance significantly. In addition, the fund has been operating at a deficit (using fund balance) and the strategy has been to use the fund balance until 2016 so that there would be a full ten years since the last rate increase. In 2016, it is anticipated that the fund will be depleted to the minimum reserve balance and a rate adjustment will be required. Table "A" is a budget trend chart for the past 10 years and moving forward.



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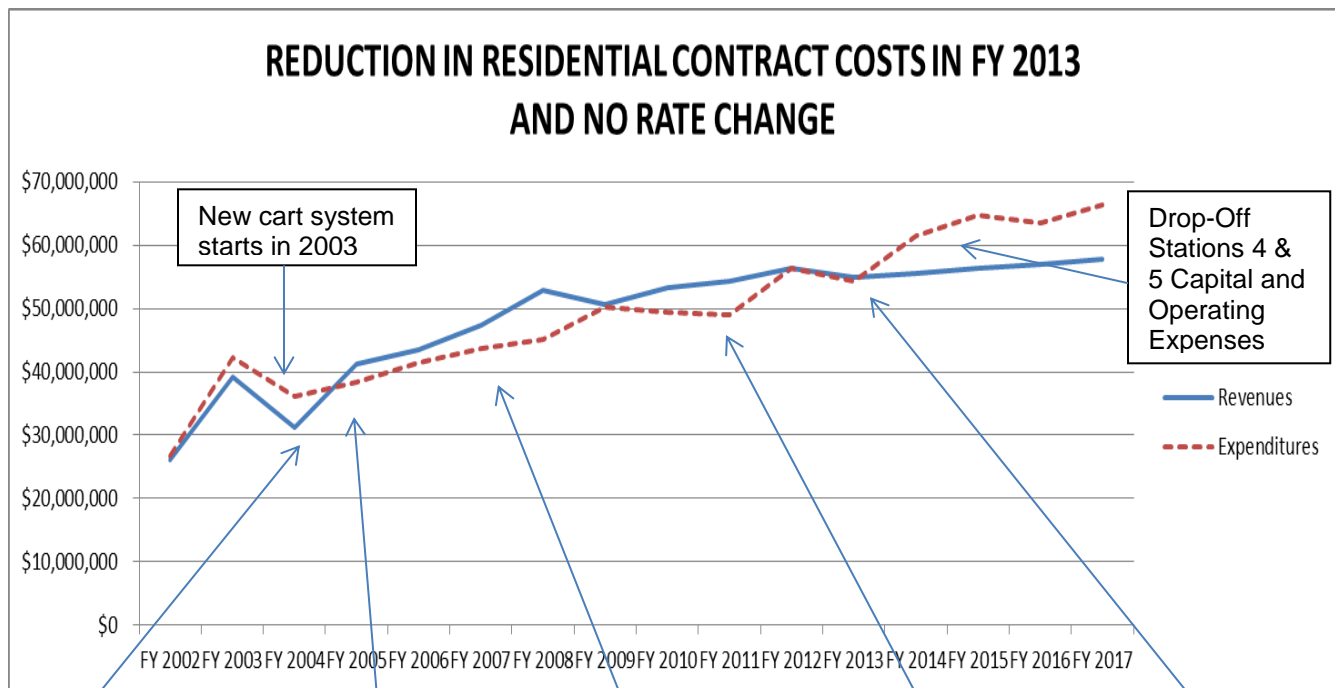
The values of the five solid waste contracts as budgeted for FY 2013 are:

- Curbside collections (Waste Management) - \$29,940,467
- Recycle Processing (Recycle America a WM company) - (\$1,713,155) net to City
- Drop off Station Hauling (Republic Services) - \$406,725
- C&D Waste Disposal and Yard Waste Processing (IESI) - \$1,050,262
- Toter Cart's Purchase/Repair/Delivery- \$1,130,000

For more information, please contact Code Compliance Director Brandon Bennett (6322).

Tom Higgins
City Manager

Table "A"



City Council changes system to include monthly bulk and weekly yard waste collections which requires more trucks and staff

Citizen Drop-Off Stations 1&2 Capital and Operating Expenses

Citizen Drop-Off Station 3 Capital and Operating Expenses

Approximately \$1.1 million added to Solid Waste Fund for Litter Crews and to sustain funding for solid waste enforcement by Code Enforcement Officers.

Approximately \$2.1 Million contribution to ERP